



# Financial Aid Rulemaking

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# Background

- In 2012, the Commission merged with State Student Aid Commission of Indiana (SSACI) and took over the administration of state financial aid.
- The Commission inherited the statutes and administrative rules governing state financial aid.
- SSACI's administrative rules were prescriptive.



# Background

- **At the time of the merger, SSACI's rules were set to expire at the end of 2013.**
- **Executive Order 13-03 placed a moratorium on new rules.**
- **The Commission faced a decision to renew existing rules or let the rules lapse.**



# Background

- **The Commission allowed the inherited rules expire to provide time to evaluate the program administration and enact credit completion.**
- **The Commission has operated under the authority of IC 21-18.5.**
- **At the beginning of 2015-2016 school year, the Commission staff began preparing new administrative rules.**



# Proposed Rules Overview

- **The proposed rules outline:**
  - How the Commission shall administer aid
  - How students become and maintain eligibility
  - How institutions elect to participate
- **Incorporate the suggestions of the Attorney General's Office.**
- **Flexible enough to allow the Commission to react to the needs of students and institutions.**



# Why Adopt Rules Now?

- **Timing:**
  - New ScholarTrack
  - Beginning of Prior-Prior FAFSA
  - New Financial Aid Manual
- **Administrative rules help communicate the expectations for students, families, institutional partners and the Commission.**
- **21<sup>st</sup> Century Scholar's statute requires the Commission to outline how new institutions may participate.**



# Adoption Timeline

- Request exemption from regulatory moratorium from OMB/SBA
  - *Requested and waiting for response*
- Publish notice of intent to adopt rule in the Indiana Register
  - *Must be published for 28 days*
- Publish proposed rule in Indiana Register
  - *Must be published for at least 21 days*



# Adoption Timeline

- **Hold hearing and collect public feedback**
  - *No timeline to hold the hearing*
- **Review of proposed rule by Attorney General's Office**
  - *45 days to review*
- **Review of proposed rule by the Governor's Office**
  - *Up to 30 days to review*
- **Rule goes into effect**
  - *30 days after submission to publisher*





# 21<sup>st</sup> Century Scholars Income Verification

# Income Verification Process

- In 2013, the legislature required the Commission to determine whether 21<sup>st</sup> Century Scholars continued to have financial need before releasing the scholarship.
- The Commission evaluated the existing income verification process at the time of application and found significant improvements could be made.
- The new process will start with the class of 2020.



# Income Verification Process

- **A new MOU with the Indiana Department of Revenue allows the Commission to compare income listed on the 21<sup>st</sup> Century Scholars Application and tax income.**
- **Only students showing as over income or with incorrect parent SSN verified.**
- **The process is completed online using the existing appeals process.**



# Income Verification Process

- **In June, applicants will be notified they are potentially ineligible.**
- **After June, new applicants will be notified at the end of each month.**
- **Applicants are given the opportunity to provide their tax information before they are removed from the program.**

